



Washington State Auditor's Office

Independence • Respect • Integrity

Financial Statements Audit Report

City of Castle Rock

Cowlitz County

For the period January 1, 2014 through December 31, 2014

Published October 29, 2015

Report No. 1015474





Washington State Auditor's Office

October 29, 2015

Mayor and City Council
City of Castle Rock
Castle Rock, Washington

Report on Financial Statements

Please find attached our report on the City of Castle Rock's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**City of Castle Rock
Cowlitz County
January 1, 2014 through December 31, 2014**

Mayor and City Council
City of Castle Rock
Castle Rock, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Castle Rock, Cowlitz County, Washington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated October 23, 2015.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

October 23, 2015

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Castle Rock Cowlitz County January 1, 2014 through December 31, 2014

Mayor and City Council
City of Castle Rock
Castle Rock, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Castle Rock, Cowlitz County, Washington, for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Castle Rock has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Castle Rock, for the year ended December 31, 2014, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Castle Rock, as of December 31, 2014, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

October 23, 2015

FINANCIAL SECTION

**City of Castle Rock
Cowlitz County
January 1, 2014 through December 31, 2014**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2014
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2014
Notes to Financial Statements – 2014

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2014

City of Castle Rock
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	010 General Fund	100 Street Fund
Beginning Cash and Investments				
30810	Reserved	840,388	58,965	160,338
30880	Unreserved	1,339,757	330,450	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	1,164,811	1,082,116	-
320	Licenses and Permits	71,017	71,017	-
330	Intergovernmental Revenues	829,996	113,662	224,454
340	Charges for Goods and Services	2,956,397	4,772	-
350	Fines and Penalties	32,198	32,198	-
360	Miscellaneous Revenues	303,320	21,842	2,200
Total Operating Revenues:		5,357,738	1,325,606	226,654
Operating Expenditures				
510	General Government	276,505	276,505	-
520	Public Safety	836,384	836,384	-
530	Utilities	2,004,000	7,000	-
540	Transportation	118,733	-	77,307
550	Natural and Economic Environment	93,347	84,897	-
560	Social Services	345	345	-
570	Culture and Recreation	104,124	2,111	4,745
Total Operating Expenditures:		3,433,438	1,207,242	82,052
Net Operating Increase (Decrease):		1,924,300	118,364	144,602
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	107,000	29,406	17,341
391-393	Debt Proceeds	-	-	-
397	Transfers-In	46,610	-	37,810
Total Nonoperating Revenues:		153,610	29,406	55,151
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	44,628	27,565	-
591-593	Debt Service	504,864	-	5,310
594-595	Capital Expenditures	826,010	17,683	128,664
597	Transfers-Out	46,610	28,610	3,000
Total Nonoperating Expenditures:		1,422,111	73,858	136,974
Net Increase (Decrease) in Cash and Investments:		655,798	73,912	62,779
Ending Cash and Investments				
50810	Reserved	1,130,229	70,698	223,118
50880	Unreserved	1,705,715	392,630	-

The accompanying notes are an integral part of this statement.

120 City Exhibit Hall Fund	130 Library Fund	160 Cdbg Grant/home Rehab Project	170 Dot Spoil Site	195 Low Income Housing Fund	300 Swimming Pool Const Fund, 1987
7,822	24,716	165,873	47,414	31,454	90,515
-	-	-	-	-	-
-	-	-	-	-	-
14,868	58,356	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,000	-
-	2,293	-	-	-	-
-	-	-	-	-	-
172,540	410	-	2,336	-	-
187,408	61,059	-	2,336	3,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,450	-	-	-	-	-
-	-	-	-	-	-
5,368	50,909	-	29,947	-	-
13,818	50,909	-	29,947	-	-
173,590	10,150	-	(27,612)	3,000	-
-	-	-	6,747	-	17,063
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,747	-	17,063
-	-	-	17,063	-	-
-	-	-	-	-	-
3,603	520	396	33	-	-
-	-	-	-	-	-
3,603	520	396	17,096	-	-
169,987	9,630	(396)	(37,961)	3,000	17,063
177,809	34,347	165,477	9,453	34,454	107,577
-	-	-	-	-	-

The accompanying notes are an integral part of this statement.

310 Reet Capital Fund	320 Street Construction Capital Fund	400 Water/Sewer Operating Fund	420 Stormwater Management Fund	475 Boat Launch Facility Fund
14,221	-	239,070	-	-
-	-	952,071	43,292	13,944
-	-	-	-	-
9,477	-	-	(7)	-
-	-	-	-	-
-	488,880	-	-	-
-	7,283	2,825,523	116,526	-
-	-	-	-	-
49	60,455	21,087	126	22,275
9,526	556,618	2,846,610	116,646	22,275
-	-	-	-	-
-	-	-	-	-
-	-	1,966,534	30,466	-
-	-	3,600	37,827	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	11,044
-	-	1,970,134	68,293	11,044
9,526	556,618	876,476	48,353	11,231
-	-	36,444	-	-
-	-	-	-	-
-	-	8,800	-	-
-	-	45,244	-	-
-	-	-	-	-
-	-	499,554	-	-
-	545,108	117,310	3,765	8,927
12,000	-	-	3,000	-
12,000	545,108	616,865	6,765	8,927
(2,474)	11,510	304,856	41,588	2,304
11,748	11,510	284,038	-	-
-	-	1,211,958	84,879	16,248

The accompanying notes are an integral part of this statement.

City of Castle Rock
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		Total for All Funds (Memo Only)	621 A Thompson Library Trust	632 Transportation Benefit District Fund
308	Beginning Cash and Investments	25,719	0	25,719
388 & 588	Prior Period Adjustments, Net	-	-	-
310-360	Revenues	87,772	-	87,772
380-390	Other Increases and Financing Sources	-	-	-
510-570	Expenditures	60,743	-	60,743
580-590	Other Decreases and Financing Uses	-	-	-
	Net Increase (Decrease) in Cash and Investments:	27,029	-	27,029
508	Ending Cash and Investments	52,748	0	52,748

The accompanying notes are an integral part of this statement.

CITY OF CASTLE ROCK
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Castle Rock, Washington was incorporated on June 20, 1890 and operates under the laws of the state of Washington applicable to a non-charter Code City. The city is a general purpose government and provides public safety, street improvement, parks, recreation and general administrative services. The city owns a water system and operates a water treatment plant in a joint venture with Cowlitz County. In addition, the City also owns and operates a sewer system and sewage treatment plant.

The city reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The City adopts annual appropriated budgets for the general, special revenue, capital project and enterprise funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Executive Department	\$53,813	\$51,353.84	\$2,459.16
Municipal Court Department	\$80,800	\$74,492.30	\$6,307.70
Finance Department	\$107,170	\$106,031.91	\$1,138.09
Police Department	\$800,257	\$762,013.67	\$38,243.33
Park Department	\$20,800	\$9,538.46	\$11,261.54
Building/Planning Department	\$57,970	\$46,089.13	\$11,880.87
Non-Department	\$175,896	\$169,473.83	\$6,422.17
Petty Cash/Change Fund	\$0	\$0.00	\$0.00
Street Fund	\$227,954	\$219,025.57	\$8,928.43
Arterial Street Fund	\$0	\$158,882.98	(\$158,882.98)
Building Code Acct Fund	\$39,277	\$33,604.51	\$5,672.49
City Exhibit Hall Fund	\$245,501	\$17,421.02	\$228,079.98
Library Fund	\$56,855	\$51,428.41	\$5,426.59
Criminal Justice Fund	\$3,344	\$2,668.55	\$675.45
Local Criminal Justice Fund	\$26,659	\$25,833.39	\$825.61
Accumulative Reserve Fund	\$0	\$0.00	\$0.00
CDBG Grant Rehab Fund	\$11,100	\$395.64	\$10,704.36
DOT Spoil Site Fund	\$52,500	\$47,042.79	\$5,457.21
Public Works Vehicle Replacement	\$10,000	\$0.00	\$10,000.00
Drug Enforcement Fund	\$2,000	\$0.00	\$2,000.00
Low Income Housing Fund	\$0	\$0.00	\$0.00
Swimming Pool Construction Fund	\$0	\$0.00	\$0.00

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
REET Capital Fund	\$12,000	\$12,000.00	\$0.00
Street Construction Capital Fund	\$555,823	\$545,108.37	\$10,714.63
Water Department Fund	\$713,616	\$647,483.15	\$66,132.85
Sewer Department Fund	\$882,244	\$843,311.25	\$38,932.75
Regional Water System Fund	\$505,310	\$482,545.52	\$22,764.48
Regional Sewer System Fund	\$655,058	\$619,039.55	\$36,018.45
Stormwater Management Fund	\$127,551	\$100,058.17	\$27,492.83
Stormwater Capital Reserve Fund	\$15,000	\$0.00	\$15,000.00
Regional Water Capital Improvement Fund	\$4,797	\$52.50	\$4,744.50
Municipal Water Capital Improvement	\$83,092	\$83,009.45	\$82.55
Water Bond Reserve	\$0	\$0.00	\$0.00
Sewer Bond Reserve	\$0	\$0.00	\$0.00
Short Lived Asset Account Fund	\$0	\$0.00	\$0.00
Municipal Sewer Capital Improvement Fund	\$6,500	\$16,057.20	(\$9,557.20)
Boat Launch Facility Fund	\$71,500	\$19,971.27	\$51,528.73
Amy Thompson Library Trust	\$0	\$0.00	\$0.00
Consumer Deposit	\$12,000	\$5,464.38	\$6,535.62
Transportation Benefit District	\$89,643	\$60,743.08	\$28,899.92
TBD Capital Fund	\$0	\$0.00	\$0.00
TOTAL OF ALL FUNDS:	\$5,706,030	\$5,210,139.89	\$495,890.11

Variances include unexpended balances and budgeted ending fund balances. In addition, variances in the Street Construction Fund and Street Fund also include grant-funded projects which were not completed. The Arterial Street fund was combined into the Street Fund. Expenditure in the Arterial Street Fund is considered a non-expenditure; for the purpose of moving fund balance assets to the Street Fund. Budgeted

amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body.

For reporting purposes on Statement C-4, activities for the following funds have been included within General Fund totals; General Fund, Petty Cash/Change Fund, Building Code Account Fund, Criminal Justice Fund, Local Criminal Justice Fund, Accumulative Reserve Fund, and Drug Enforcement Fund. Stormwater utilities include the Stormwater Fund and the Stormwater Capital Reserve Fund. The following funds are reported within the Utilities Fund; Public Works Vehicle Replacement Fund, Water Fund, Sewer Fund, Regional Water Fund, Regional Sewer Fund, Regional Water Capital Improvement Fund, Municipal Water Capital Improvement Fund, Water Bond Reserve Fund, Sewer Bond Reserve Fund, Sewer Loan Reserve, Short Lived Asset Account Fund, Municipal Sewer Capital Improvement Fund, and Utility Deposit Fund. The city manages funds for a Transportation Benefit District. Included in those funds are the Transportation Benefit District Fund and TBD Capital Project Fund. All other funds are reported separately.

D. Cash and Investments

See Note 3 *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. The capital assets of the city are recorded as expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 240 hours for public works and clerical bargaining unit employees. Police bargaining unit employees and full-time non-bargaining employees may accrue up to 280 hours. Vacation accruals are payable upon separation or retirement. Supervisory staff may exceed allowable accruals, upon approval by the mayor.

Sick leave may be accumulated up to 840 hours for non-bargaining and public works bargaining unit employees. Bargaining unit employees for police and clerical may accumulate up to 720 hours. Upon separation or retirement supervisory and public works employees do not receive payment for unused sick leave. Clerical and police bargaining unit employees receive a buyout of their accumulated sick. Clerical buyout, upon separation is at the rate of 10% of the employee's accumulated sick leave. For police the buyout is 20% of the accumulated sick leave (for employees with less than eleven years of employment) and 25% of the accumulated sick leave (for employees with more than eleven years of employment). Payments are recognized as expenditures when paid. For all employees; those discharged for cause shall not be entitled to receive a buyout of their accumulated sick leave.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The government's *Other Financing Sources or Uses* consist of either transfers-in or transfers-out between funds or contributions to capital, enterprise or internal service funds to establish or reduce working capital in other funds. Interfund transfers include the following:

From	To:	Amount:
General Fund	Street Fund	\$ 25,810.00
General Fund	Utility Operating Funds	\$ 2,800.00
Street Fund	Street Fund	\$158,882.98
Street Fund	Utility Operating Funds	\$ 3,000.00
REET Fund	Street Fund	\$ 12,000.00
Water-Sewer Utility Funds	Utility Operating Funds	\$109,964.00
Stormwater Utility Funds	Utility Operating Funds	\$ 3,000.00
Stormwater Utility Funds	Stormwater Utility Funds	<u>\$ 25,000.00</u>
Total:		\$340,456.98

I. Risk Management

The City of Castle Rock is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2014, 94 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2014, AWC RMSA carried a retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution. When expenditures that meet restrictions are incurred, the city intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of the following funds:

- ♦ Consumer Deposit: funds paid by utility customers. When account is closed, the deposit is applied to the customer's outstanding balance, with the remaining refunded to the customer. As of December 31, 2014 the reserved ending fund balance was \$55,348.35
- ♦ CDBG Grant/Home Rehab Project Fund: low/moderate income financing to provide health and safety related home repairs to qualified owner-occupied homeowners. Proceeds are restricted by grant requirements. As of December 31, 2014 the reserved ending fund balance was \$165,477.21
- ♦ DOT Spoil Site Fund: proceeds from sale of dredge materials restricted by deed mandates. Other income includes grant proceeds which are restricted by the granting agency. As of December 31, 2014 the reserved ending fund balance was \$9,453.03
- ♦ Street Fund receives State shared gas tax revenues, which are restricted by Washington State RCW. This fund also includes loan proceeds from Cowlitz County that will be repaid in 2015 and an interfund loan in the amount of \$20,000. Loan funds were used to establish a cash flow for grant funded street projects. As of December 31, 2014 the reserved ending fund balance was \$223,117.97.
- ♦ Building Code Account Fund; restricted by Washington State RCW limiting use to only review or processing of building permits. As of December 31, 2014 the reserved ending fund balance was \$42,420.23.
- ♦ Low Income Housing Fund; proceeds are derived from a portion of the document recording fee and are restricted by Washington State RCW. Funds are intended to for programs assisting low income persons. As of December 31, 2014 the reserved ending fund balance was \$34,453.97.
- ♦ Exhibit Hall Fund; revenues to support this facility are from lodging tax funds, which are restricted by Washington State RCW. Revenues also include a grant from Cowlitz County in the amount of \$170,000 for construction of a new visitor information center. As of December 31, 2014 the reserved ending fund balance was \$177,808.57.
- ♦ Library Fund; operations are funded from a voter-approved excess levy on property taxes. All proceeds support provision of library services. As of December 31, 2014 the reserved ending fund balance was \$34,346.87.
- ♦ Street Construction Capital Fund; reserved due to grant funding restrictions specific to capital improvement projects included in this fund. As of December 31, 2014 the reserved ending fund balance was \$11,509.96.
- ♦ Water Bond Reserve Fund, Sewer Bond Reserve Fund, Sewer Loan Reserve Fund and Short Lived Asset Reserve Fund: these funds are required to be established as outlined in various loan documents

relating to improvements to the Water Treatment and Wastewater Treatment Plant facilities. As of December 31, 2014 the reserved ending fund balance for each respective fund was \$45,600; \$126,761.46; \$4,947; and \$16,665.

- ♦ Swimming Pool Construction Fund: voter approved funding for construction of a community swimming pool (refer to Note 7, #3). As of December 31, 2014 the reserved ending fund balance was \$107,577.33.
- ♦ Criminal Justice Fund; restricted by Washington State RCW to fund law enforcement functions. As of December 31, 2014 the reserved ending fund balance was \$8,948.23.
- ♦ REET Capital Fund; restricted by Washington State RCW to fund capital projects which are included on the city's Capital Facility Plan. As of December 31, 2014 the reserved ending fund balance was \$11,747.66.
- ♦ Local Criminal Justice Fund; voter approved 1/10th of 1% sales and use tax to support law enforcement services. As of December 31, 2014 the reserved ending fund balance was \$16,181.62.
- ♦ Drug Enforcement Fund; restricted for law enforcement use only for drug enforcement. As of December 31, 2014 the reserved ending fund balance was \$3,148.40.
- ♦ Public Works Vehicle Replacement Fund; restricted for purchase of capital vehicle or equipment needs for the Public Works Department. As of December 31, 2014 the reserved ending fund balance was \$34,715.94.
- ♦ Transportation Benefit District and TBD Capital Project Funds; restricted by ordinance. Funds are to be used for preservation of transportation system needs. Funding is voter-approved additional sales and use tax specific to that use. As of December 31, 2014 the reserved ending fund balances for each was \$49,291.43 and \$3,456.17 respectively.
- ♦ The governing body has not imposed any restrictions or commitments on any other fund balance.

NOTE 2 - PROPERTY TAX

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city's regular levy for the year 2014 was \$2.971717 per \$1,000 on an assessed valuation of \$119,837,212 for a total regular levy of \$356,122.29.

In 2013 voters approved an excess levy to be assessed in 2014 for the purpose of supporting library services. The final levied amount was \$0.505180 per \$1,000 on an assessed valuation of \$117,641,126 for a total additional levy of \$59,430.00.

NOTE 3 – DEPOSITS AND INVESTMENTS

The City did not have any investments. Interest and/or dividends earned on banked cash is receipted into the General Fund. Dividends earned for the Transportation Benefit District are receipted into that fund. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

NOTE 4 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the city and summarizes the city's debt transactions for the year ended December 31, 2014.

The debt service requirements for general obligation bonds, revenue bonds, and public works loans (listed under Other Debt) including both principle and interest, are as follows:

	General Obligation Debt	Revenue Bonds	Other Debt	Total Debt
2015	\$ 322,965.12	\$ 179,396.00	\$ 312,460.85	\$ 814,821.97
2016	\$ 22,965.12	\$ 179,396.00	\$ 309,689.31	\$ 512,050.43
2017	\$ 5,309.60	\$ 179,396.00	\$ 306,907.11	\$ 491,612.71
2018	\$ 5,309.60	\$ 179,396.00	\$ 304,124.90	\$ 488,830.50
2019	\$ 5,309.53	\$ 179,396.00	\$ 301,342.73	\$ 486,048.26
2020-2024		\$ 896,980.00	\$ 971,615.49	\$1,868,595.49
2025-2029		\$ 896,980.00	\$ 441,241.36	\$1,338,221.36
2030-2034		\$ 896,980.00	\$ 73,548.85	\$ 970,528.85
2035-2039		\$ 896,980.00		\$ 896,980.00
2040-2044		\$ 891,892.82		\$ 891,892.82
2045-2049		\$ 79,166.14		\$ 79,166.14
TOTALS	\$ 361,858.97	\$5,455,958.96	\$3,020,930.60	\$8,838,748.53

NOTE 5 - INTERFUND LOANS

The following table displays interfund loan activity during 2014:

Borrowing Fund	Lending Fund	Balance as of 1/1/2014	New Loans	Repayments	Balance
DOT Spoil Site (original amt: \$140,000)	Swimming Pool Construction	\$57,000	\$0	\$17,000	\$40,000
Street Fund (approved amt: \$103,000)	Sewer Bond Reserve Fund	\$20,000	\$0	\$0	\$20,000
Total Interfund Loans:		\$77,000	\$0	\$17,000	\$60,000

#1: Initial terms were a one-year loan, with an interest rate of 1.8% beginning February 1, 2010. Purpose of the loan was to provide equity for the DOT Spoil Site Fund to allow for reimbursable grant funded projects to proceed. One remaining project is still active (boat launch improvements); however, partial loan repayments are being made. The 2015 adopted budget includes additional repayment of \$15,000, including interest. Grant project for this fund will continue into 2015, and it is the city's intent to repay the loan once the project is completed.

#2: Loan to the Street Fund was approved at \$103,000, to provide for contingency funds during the construction projects. The Street Fund only borrowed \$20,000. Term requires interest to be paid at the rate established for investments from the Washington State Investment Pool, for a term of two-years. Payment due January 2016.

#3: Fiscal year 2015; city council approved an interfund loan from the Swimming Pool Construction Fund to the Street Fund to offset anticipated cash flow shortages when the city makes payment to Cowlitz County to resolve debt in the amount of \$300,000 from the county's ELF fund. The interfund loan is to be repaid within three years, including interest at the current market rate as set by Washington State Investment Pool, with first loan payment due by February 2016.

NOTE 6 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in the LEOFF II, PERS II or PERS III retirement plans administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the city's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

NOTE 7 - OTHER DISCLOSURES

(1) REGIONAL UTILITY SYSTEM AGREEMENT

As of an agreement dated March 31, 1976, the City of Castle Rock and Cowlitz County operate jointly the Regional Water System. The Regional Water System provides water service to the City of Castle Rock and to outlying areas within the county. On December 22, 1999, a new agreement was signed between Cowlitz County and the city, which formed a Castle Rock/Toutle Regional Utility Systems (RUS). This agreement included provisions for the operation, construction and maintenance of both the Wastewater Treatment Plant and the Water Treatment Plant facilities and included definition of the service area and financial obligation to both the city and county entities. The RUS board of directors consists of two members from both the city and county and those members select the fifth member of the board. The RUS board members meet at least annually to review the budget and evaluate budgetary funding contributions for both entities. December, 2009 the city acquired from Cowlitz County the water and sewer infrastructure and customers located on the 'Westside' of the Cowlitz River. As a result, Cowlitz County no longer has any customers where sewer service is provided.

The City of Castle Rock Public Works Department is responsible for the daily operation of the regional water treatment plant and the city finance office is responsible for the maintenance of budgetary issues.

Financial information is recorded in the city's Fund No. 410 Regional Water System and is included in this report.

All real or personal property acquired by the entities prior to this agreement remains in the ownership of the jurisdiction in which the property is located.

In this current fiscal year, Cowlitz County contributed \$254,678 and the City of Castle Rock \$285,538.

(2). FIRE DISTRICT AGREEMENT

November, 2005 voters approved annexation of city fire and ambulance services into Cowlitz County Fire Protection District #6. November 28, 2005 an interlocal agreement between the city and Fire District #6 was signed outlining pre and post annexation services, employee status and equipment/building ownership. This

agreement also outlines post-annexation fire prevention services for a period of ten years after effective date of annexation. In 2014, the city began negotiations with the Fire District for continuation of services. If no agreement is reached before November 28, 2015; the Fire District will have no obligation to provide fire services within the city.

Two other interlocal agreements between the city and Fire District #6 were entered into as follows:

- An EMS cooperative agreement to allow Cowlitz Fire Protection District #6 to operate under the city's emergency medical service licensing; if the district is not able to obtain licensing. Term of this agreement extended until District #6 received required licensing to operate an emergency ambulance service. Licensing was acquired in 2007.
- Infrastructure agreement to outline continued sharing costs for the telephone system, cable television service and the physical computer network system. In addition, the agreement allows Cowlitz Fire District #6 use of a building for storage of equipment. This agreement may be terminated by providing at least a 30 day written notice in advance of the termination.

(3). VOTER APPROVED SWIMMING POOL CONSTRUCTION FUNDS

In 1986, voters approved a bond measure for issuing \$100,000 of general obligation bonds to be used, along with private trust fund monies, for the purpose of constructing a new municipal swimming pool facility. Both the bond principal and interest were paid out of annual levies in excess of regular property taxes maturing within a maximum term of two years. The general obligation bonds were paid off in 1989, however the city was unable to construct the swimming pool facility before the private trust fund expired.

The city brought this issue before the voters in February 1994 for the purpose of reassigning this money to be used for reconstruction of arterial streets, with the capability of using these monies as matching funds for any future state or federal grants for the construction, remodel or improvement of arterial street projects. Unfortunately, this issue was defeated by a wide margin. The City Council has received comment from the Cowlitz County Auditor and Cowlitz County Treasurer advising of the feasibility of returning the monies to the tax payers. It appears that manpower costs will exceed any feasibility of returning the monies to the tax payers.

In 1995, hearings were scheduled and an informal survey was held to ascertain if the citizens wanted the \$100,000 returned to the taxpayer, or if they wished to have it retained for its original intended use. Citizens participating in the public hearings advised the council to retain the money for its intended use.

See Note #5 Interfund Loans outlining repayment obligations to this fund.

(4). FRONT AVENUE UTILITY LOCATE CLAIM

During the Front Avenue street construction project, progress was delayed due to utility lines not being located, as requested. This resulted in added five additional working days to the contract and additional costs exceeding \$20,000. In 2014, the city successfully mitigated damage costs with and received \$17,000 from Qwest.

(5). ADOPTED APPROPRIATIONS EXCEEDED

- Arterial Street Fund: this fund was merged with the Street Fund. An overage of \$158,882.98 resulted when the Arterial Street Fund residual fund balance was moved to the Street Fund.
- Municipal Sewer Capital Fund: anticipated loan funding was not received for work completed on the sewer line improvements.

(6) ISSUANCE OF NEW DEBT

May, 2015, city council approved resolutions for the following additional new debt:

- ♦ USDA Rural Development Community Facilities loan in the amount of \$329,000 to fund various residential street overlay projects. Payments will be semi-annually in the amount of \$11,509, for a period of 20 years, at an interest rate of 3.5%. Loan payments will be paid from the Transportation Benefit District
- ♦ USDA Rural Development in the amount of \$103,000 to upgrade several sewer system lines throughout the city. Payments will be semi-annually in the amount of \$3,379, for a period of 20 years, at an interest rate of 2.75%. Loan to be secured by a revenue bond.
- ♦ USDA Rural Development in the amount of \$220,000 to fund various residential overlay projects. Payments will be semi-annually in the amount of \$7,188, for a period of 20 years, at an interest rate of 2.75%. Loan to be secured by a revenue bond.
- ♦ Rural Community Assistance Corporation in the amount of \$135,000 for a term of 10 years to fund improvements to the Regional Water Treatment Plant and telemetry system.

(7). INTERLOCAL AGREEMENT WITH COWLITZ COUNTY FOR ADDITIONAL FINANCING/LOAN

December, 2011 the city council entered into an Interlocal Agreement with Cowlitz County authorizing a loan to the city in the amount of \$300,000 to fund remaining construction costs for Cowlitz Street West project. Repayment of was due, in full, on or before December 31, 2013, including any accrued interest costs. Since this project has not been completed, the city requested an extension to December 31, 2014. This extension was approved by Cowlitz County Board of Commissioners in 2014. The city repaid this loan in 2015.

(8). COWLITZ COUNTY REGIONAL TOURISM DEVELOPMENT PARTNERSHIP PROGRAM.

October 2011, the city entered into an Interlocal Agreement with Cowlitz County and the cities of Longview, Kelso, Kalama and Woodland to create and administer a partnership program to promote, acquire, construct or operate tourist related facilities and promotions for each of the participating entities. Annual financial contributions are required of each participating entity over a six-year period. Each participating entity will be entitled to receive proceeds from this 'pooled' contribution to support a program or project approved by the Regional Tourism Board of Directors. The city's annual contribution for fiscal year 2012 through 2017 is \$1,279 and will be funded by Hotel-Motel tax revenues. The State Auditor questioned the legality of the interlocal agreement between the cities and Cowlitz County. As a result, the interlocal agreement was amended to make each entity responsible for determining the use of those funds, instead of an oversight board.

(9). FORMATION OF TRANSPORTATION BENEFIT DISTRICT

Castle Rock City Council formed the Castle Rock City Transportation Benefit District (CRTBD) in 2012 to provide adequate funding for ongoing transportation improvements that preserve, maintain and, as appropriate, construct or reconstruct the existing transportation infrastructure of the city, consistent with Chapter 36.73 RCW. November 2012 voters approved an additional sales tax of 2/10th of 1% to fund the CRTBD. Proceeds from that sales tax were not received until 2013. In addition, the City entered into an Interlocal Agreement with CRTBD Board to provide staffing and related support including, but not limited to, legal, financial, planning and engineering services. Ownership of the infrastructure preserved and maintained by CRTBD funds are and shall remain the property of the City of Castle Rock. No joint ventures are included in this agreement.

(10). OPEB

The City has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1 retirement system. These benefits include medical, vision, nursing and long-term care. Two retirees received benefits during the year and \$27,806 was paid out for those benefits. GASB 43/45 Compliance Report for the AWC Employer Benefit Trust is available through AWC Employee Benefit Trust, 1076 Franklin Street SE, Olympia, WA 98501.

(11) CONSTRUCTION COMMITMENT

The city has active construction projects as of December 31, 2014. The projects include:

Project Name:	Spent To Date:	Remaining Commitment
City-Wide Street Overlay Project	\$531,945	Phase 1 completed in 2014. Additional phases pending approval of USDA Rural Development loan application in the amount of \$220,000.(a)
Safe Routes To School Sidewalk Project	\$268,063	Construction completed in 2013. Education/enforcement component to be completed in 2015, with \$23,946 remaining funds for project (b)
State Route 504/Exit 49 Pedestrian Improvement Project; Dougherty Drive to 300' of Salmon Creek Lane NE	\$45,319 (2014 through April 2015)	Estimated total project cost is \$532,302 (c)
Boat Launch –Phase II	\$555,237	\$58,000 (d)
Visitor Center – new construction	\$3,603	\$213,397 (e)
Front Avenue SW Sidewalk Improvements	\$21,568 (January 2015-April 2015)	\$215,023 (total grant) (f)

Funding:

- a. Reconstruction included several residential street overlay projects. Funded by a \$488,880 legislative award appropriated under the Projects that Strengthen Communities Program. Additional funds were provided by the Castle Rock City Transportation Benefit District.
- b. Funded through a Washington State Department of Transportation Safe Routes To School grant. Construction phase of the process was completed in 2013. Enforcement/education component will be completed in 2015.
- c. Funded by a TIB grant in the amount of \$255,646, city matching funds of \$13,456 and a Federal Highway program grant in the amount of \$263,200. Project proposal includes ADA compliant ramps, multi-sue paths along both sides of SR504, including a low wall and pedestrian crossing. Improved illumination and landscaping. Engineering began in 2014 and bids were solicited in 2015. Project is expected to be completed fall of 2015.
- d. Funded through a grant from Washington State Recreation Conservation Organization grant, contribution from the Port of Longview and Cowlitz County Rural Development funds. Construction was completed in 2012; however, permitting mitigations are still being evaluated by Federal agencies. Any additional commitment required

of the city will be evaluated once the Federal agencies have completed their review. The city continues to seek additional funding options for mitigation costs.

e. Funding includes proceeds from Cowlitz County Rural Development loan in the amount of \$170,000 and Interlocal commitment of lodging tax funds in the amount of \$47,000. Ground preparation will be completed by volunteer and city work forces. Includes a pre-fab building located on State of Washington Park and Ride property, located at the I-5, Exit 49 on-ramp. Project is expected to increase transient interest in local businesses and the Mount Saint Helens corridor through marketing. Project to be completed in 2015.

f. Funded by a Transportation Improvement Board grant in the amount of \$215,023; the project includes replacement of damaged sidewalk sections and installation of ADA ramps on both sides of Front Avenue SW; from A Street SW to Huntington Avenue South intersection. As of April, 2015; only engineering has been completed on this project. Project is anticipated to be completed by the end of 2015.

City of Castle Rock
Schedule of Liabilities
For the Year Ended December 31, 2014

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations						
263.51	Lease/Purchase 2013 Police Vehicle	4/30/2016	-	50,025	17,655	32,370
263.81	Cowlitz County Rural Facilities Loan	1/31/2020	30,772	-	5,002	25,770
263.81	Cowlitz County ELF Loan/Cowlitz Street	12/31/2014	300,000	-	-	300,000
259.11	Vacation Accrual Liability		46,680	4,747	-	51,427
259.11	Compensatory Accrual Liability		2,894	-	906	1,988
259.11	Sick Leave Accrual Liability		13,665	-	440	13,225
Total General Obligations:			394,011	54,772	24,003	424,780
Revenue Obligations						
252.11	USDA RDA Revenue Bond, 2005, Series A	1/1/2045	2,176,410	-	32,370	2,144,040
252.11	USDA RDA Revenue Bond, 2005, Series B	1/1/2045	593,976	-	8,835	585,141
252.11	USDA RDA Revenue Bond, 2009	1/1/2049	283,114	-	4,126	278,988
263.82	DWSRF Loan #99-651-99-012	10/1/2020	235,890	-	33,699	202,191
263.82	DWSRF Loan #06-96300-003	10/1/2027	1,335,858	-	95,418	1,240,440
263.82	PWB Loan #PW-00-691-012	7/1/2020	276,748	-	39,535	237,213
263.82	PWB Loan #PW-01-691-010	7/1/2021	557,071	-	69,634	487,437
263.82	PWB Loan #PW-05-691-008	7/1/2025	289,578	-	24,132	265,446
263.82	PWB Loan #PC13-961-041	6/1/2032	457,447	-	24,076	433,371
259.12	Vacation Accrual Liability		53,709	6,742	-	60,451
259.12	Compensatory Accrual Liability		10,095	-	4,356	5,739
259.12	Sick Leave Accrual Liability		464	138	-	602
Total Revenue Obligations:			6,270,360	6,880	336,181	5,941,059
Total Liabilities:			6,664,371	61,652	360,184	6,365,839

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

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In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

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Contact information for the State Auditor's Office	
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